



February 27, 2013

Committee on Ways and Means
U.S. House of Representatives

Dear Members of the Committee,

Indiana Grantmakers Alliance is an association of private, community, operating, and corporate foundations, corporate giving programs, and other grantmaking organizations in the state. Indiana's philanthropic sector plays an important role in promoting and supporting the quality of life in this state, and collectively annually infuse almost \$1 billion in grants within the state to support a broad range of health, educational, cultural, human service, environmental, and other causes that impact Indiana's residents. We support public policy that encourages charitable giving, recognizes the importance of sustaining the diversity and independence of the philanthropic sector, and affirm the sector's commitment to honor the public trust through transparency and accountability.

It is with these underlying principles that **Indiana Grantmakers Alliance supports maintaining current law permitting full deductibility of itemized charitable deductions.** A reduction in the charitable deduction rate may reduce the current incentive for donors to give; according to a study by the Indiana University School of Philanthropy, if the provision to limit deductions at 28 percent for high-income earners had been in effect in 2006, between \$4 and \$9 billion in collective charitable donations would not have occurred. Unlike other tax incentives, *the charitable deduction encourages behavior for which taxpayers receive no personal tangible benefit.* It is a means of enriching communities, rather than individuals, and capping it would not make the tax code more equitable. In Indiana, \$2.2 billion dollars was contributed in 2008, with median giving of \$2,451 per individual or 4.5% of income (Source: How America Gives; <http://philanthropy.com/section/How-America-Gives/621/>).

We respectfully ask your support to maintain current law regarding full deductibility of charitable deductions. We cannot ask the people served by charitable organizations in our state and across this country to go without the programs and services they depend on if the tax code no longer encourages Americans to give to charity as generously as they do.

Sincerely,

Marissa S. Manlove, President/CEO
Indiana Grantmakers Alliance

...advancing philanthropy